

**Schroder**

# All Maturities Corporate Bond Fund

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**Final Report and Accounts**

October 2012



**Schroders**

# Contents

**Schroder**

## All Maturities Corporate Bond Fund

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## All Maturities Corporate Bond Fund

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1 Collectively these comprise the Authorised Fund Manager's report.

# Fund Information

## Investment objective and policy

The fund's investment objective is to provide capital growth and income primarily through investment in non-government debt securities.

The fund may also invest in a wide range of investments including transferable securities, derivatives, cash, deposits, collective investment schemes and money market instruments.

## Financial highlights

Dealing price	31.10.12	31.10.11	% change
A Income units	57.89p	54.73p	5.77
A Accumulation units	66.53p	60.36p	10.22
I Income (Gross) units	53.63p	50.35p	6.51
I Accumulation (Gross) units	206.80p	184.20p	12.27
X Accumulation (Gross) units	107.10p	95.19p	12.51
Z Income units <sup>1</sup>	60.07p	56.48p	6.36
Z Accumulation units <sup>1</sup>	68.98p	62.20p	10.90
	31.12.12	31.12.11	
Final distribution per Z Income unit	1.1339p	1.1890p	

1 With effect from 27 February 2012 C Income units and C Accumulation units have been renamed Z Income units and Z Accumulation units and the initial management charge was reduced from 3.25% to 0%.

## Fund information

Launch date	24 March 2005	
Launch price	127.70p per I Accumulation (Gross) unit	
	65.07p per X Accumulation (Gross) unit	
Launch date	27 February 2009	
Launch price	50.00p per Z Income unit	
	50.00p per Z Accumulation unit	
Launch date	9 March 2009	
Launch price	50.00p per A Income unit	
	50.00p per A Accumulation unit	
Launch date	28 October 2009	
Launch price	50.00p per I Income (Gross) unit	
	Interim	Final
Accounting dates	30 April	31 October
Revenue allocation dates	30 June	31 December

# Fund Information (continued)

## Ongoing charges figure

	For the year to 31.10.12	For the year to 31.10.11
A Income units	1.12%	1.11%
A Accumulation units	1.11%	1.11%
I Income (Gross) units	0.26%	0.26%
I Accumulation (Gross) units	0.26%	0.26%
X Accumulation (Gross) units <sup>1</sup>	0.01%	0.01%
Z Income units	0.46%	0.46%
Z Accumulation units	0.46%	0.46%

To comply with the requirements of the UCITS IV Directive the Total expense ratio has been replaced with an Ongoing charges figure. The comparative figures have been restated in line with the new requirement.

- 1 The annual management charge for X Accumulation (Gross) units is invoiced directly to unitholders and is therefore not included in the Ongoing charges figure for that unit class.

# Review of Investment Activities

**From 31 October 2011 to 31 October 2012 the price of I Accumulation (Gross) units on a dealing price to dealing price basis rose from 184.20p to 206.80p, an increase, net of fees, of 12.27%. In comparison, the Bank of America Merrill Lynch Sterling Non-Gilts All Stocks Index generated a total return of 12.32%<sup>1</sup> over the same period.**

<sup>1</sup> Source: Thomson Reuters Datastream.

It was a volatile twelve month period for UK corporate bond markets as sentiment regularly swung between fear and optimism due to the eurozone debt crisis and politicians' attempts to find a solution to it.

The fund lagged its benchmark slightly over the period. In the final quarter of 2011 it underperformed due to its underweight exposure to interest rate duration (sensitivity to changes in gilt yields). Despite offering low yields, gilts performed well over the period as risk aversion caused strong investor demand for supposedly 'safe' assets. We moved to a neutral duration position at the start of 2012.

As risk appetite and credit markets improved in 2012 the fund benefited from a bias towards the financial sector and lower rated bonds as these areas produced the strongest returns.

As we entered the traditionally volatile summer months we moved to a more defensive stance.

According to our theme based approach, we are currently avoiding credit from companies that are exposed to a slowdown in China and to the European consumer. Instead we favour credits from the less economically sensitive sectors that provide a degree of protection in a weak economic environment.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.



**Fund Manager:**  
**Alix Stewart**

Investment career started in 1994

Joined Schroders in August 2012 as a Credit Portfolio Manager

Prior to joining Schroders Alix worked for the following companies:

2011 – UBS Global AM, Head of UK Fixed Interest

2009 – UBS Global AM, Fund Manager – UK Corporate Bonds

2008 – UBS Global AM, Fund Manager – Global Corporate Bonds

2006 – SWIP, Fund Manager – High Alpha UK Retail Corporate Bonds

2003 – Gartmore, Fund Manager – High Alpha UK Retail Corporate Bonds

1999: Standard Life Investments, Fund Manager – Corporate Bonds

1994: Scottish Mutual (ANFIS) – Fund Manager, Corporate Bonds

1991: Scottish Mutual (ANFIS) – Actuarial Trainee

BSc (Hons) in Economic and Mathematics from University of Leeds

# Risk Profile

## Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the fund's future risk profile.

The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

The fund's risk category is not guaranteed to remain fixed and may change over time.

A fund in the lowest category does not mean a risk free investment.

## Specific risks

The fund invests in assets which are exposed to currencies other than sterling. Exchange rates may cause the value of overseas investments and the revenue from them to rise or fall.

The fund invests in higher yielding bonds (non-investment grade). The risk of default is higher with non-investment grade bonds than with investment grade bonds. Higher yielding bonds may also have an increased potential to erode your capital sum than lower yielding bonds.

The fund uses derivatives for specific investment purposes. This involves a higher degree of risk and may lead to a higher volatility in the unit prices of the fund. The Manager employs a risk management process to allow the Manager to measure derivative and forward positions and their contribution to the overall risk profile of the fund. As part of this risk management process, the Manager conducts daily value at risk analysis of the fund and performs both stress and back testing of the fund.

As a result of the annual management charge being charged wholly to capital, except for X Accumulation (Gross) units, the distributable revenue of the fund may be higher, but the capital value of the fund may be eroded which may affect future performance.

For these reasons, the purchase of units should not normally be regarded as a short term investment.

# Net Asset Value and Comparative Tables

Unit price range

Year to 31 December	A Income units		A Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2007	–	–	–	–
2008	–	–	–	–
2009	57.24	48.55	57.63	48.55
2010	59.12	53.73	60.93	56.46
2011	56.41	52.36	61.73	58.65
2012 to 31 October	58.02	53.69	66.68	60.47

Year to 31 December	I Income (Gross) units		I Accumulation (Gross) units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2007	–	–	143.50	137.80
2008	–	–	145.40	135.80
2009	50.51	49.29	169.50	140.90
2010	54.29	48.90	182.30	166.80
2011	51.71	47.98	187.50	176.30
2012 to 31 October	53.75	49.28	207.20	185.10

Year to 31 December	X Accumulation (Gross) units		Z Income units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2007	73.54	70.53	–	–
2008	74.69	69.67	–	–
2009	87.19	72.39	58.19	49.17
2010	93.95	85.81	60.68	55.17
2011	96.84	90.90	58.05	54.04
2012 to 31 October	107.30	95.71	60.20	55.44

Year to 31 December	Z Accumulation units	
	Highest dealing p	Lowest dealing p
2007	–	–
2008	–	–
2009	58.68	49.17
2010	62.39	57.58
2011	63.49	60.12
2012 to 31 October	69.13	62.38



# Net Asset Value and Comparative Tables (continued)

## Net revenue

Year to 31 December	A Income units pence per unit	A Accumulation units pence per unit
2007	–	–
2008	–	–
2009	1.6691	1.6755
2010	2.6399	2.7432
2011	2.3085	2.5166
2012 to 31 October	2.1747	2.4739

Year to 31 December	I Income (Gross) units pence per unit	I Accumulation (Gross) units pence per unit
2007	–	7.8965
2008	–	7.8872
2009	0.0403	8.6924
2010	3.0682	10.3066
2011	2.7018	9.7309
2012 to 31 October	2.5537	9.7187

Year to 31 December	X Accumulation (Gross) units pence per unit	Z Income units pence per unit
2007	4.0368	–
2008	4.0431	–
2009	4.4538	1.5526
2010	5.3092	2.7434
2011	5.0188	2.4247
2012 to 31 October	5.0281	2.2956

Year to 31 December	Z Accumulation units pence per unit
2007	–
2008	–
2009	1.7557
2010	2.8396
2011	2.6026
2012 to 31 October	2.6095

# Net Asset Value and Comparative Tables (continued)

## Net asset value

As at 31 October	Net asset value £000's	Net asset value per unit p	Number of units in issue
<b>2010</b>			
A Income units	89,551	55.73	160,687,465
A Accumulation units	7,342	60.18	12,200,991
I Income (Gross) units	14,664	50.62	28,967,760
I Accumulation (Gross) units	612,055	180.18	339,698,736
X Accumulation (Gross) units	564,906	92.87	608,299,996
Z Income units	56,199	57.17	98,302,723
Z Accumulation units	14,900	61.60	24,189,093
<b>2011</b>			
A Income units	33,771	53.44	63,188,713
A Accumulation units	4,921	60.19	8,175,321
I Income (Gross) units	22,541	48.88	46,109,779
I Accumulation (Gross) units	723,582	183.69	393,909,893
X Accumulation (Gross) units	574,449	94.91	605,232,995
Z Income units	40,362	55.13	73,216,834
Z Accumulation units	2,966	62.04	4,780,917
<b>2012</b>			
A Income units	13,832	56.52	24,471,004
A Accumulation units	4,362	66.20	6,589,419
I Income (Gross) units	19,164	52.11	36,777,461
I Accumulation (Gross) units	791,290	205.77	384,555,108
X Accumulation (Gross) units	622,429	106.58	583,975,333
Z Income units	38,402	58.63	65,499,878
Z Accumulation units	807	68.63	1,175,343

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio Statement

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Euro Denominated Short Term Bonds 0.65%</b>			
(2011 – 0.00%)			
ESB Finance 6.25% Notes 2017	€6,430,000	5,756	0.39
Viridian Group 11.125% Bonds 2017	€4,700,000	3,906	0.26
		<b>9,662</b>	<b>0.65</b>
<b>Euro Denominated Medium Term Bonds 1.00%</b>			
(2011 – 0.00%)			
Nara Cable Funding 8.875% Bonds 2018	€4,880,000	3,712	0.25
Abertis Infrastructure 4.75% Bonds 2019	€3,400,000	2,733	0.18
Gas Natural 6% Bonds 2020	€9,900,000	8,529	0.57
		<b>14,974</b>	<b>1.00</b>
<b>Euro Denominated Long Term Bonds 0.33%</b>			
(2011 – 0.00%)			
SSE 5.625% Perputual Notes	€5,900,000	4,988	0.33
		<b>4,988</b>	<b>0.33</b>
<b>Euro Denominated Derivatives (0.07)%</b>			
(2011 – 0.01%)			
Forward to sell €30,391,121 for £24,574,463	€(30,391,121)	39	0.00
Euro Bobl Futures December 2012	(38)	(3)	0.00
Adecco 2017 Credit Default Swap Buy Protection <sup>1</sup>	€7,500,000	135	0.01
Barclays Bank iTraxx Europe Sub Financials 2017 Credit Default Index Swap Buy Protection <sup>1</sup>	€12,250,000	(766)	(0.05)
Deutsche Bank iTraxx Europe Crossover 2017 Credit Default Index Swap Buy Protection <sup>1</sup>	€19,600,000	68	0.00
HSBC iTraxx Europe Sub Financials 2017 Credit Default Index Swap Buy Protection <sup>1</sup>	€5,750,000	(360)	(0.02)
Safeway 2017 Credit Default Swap Buy Protection <sup>1</sup>	€2,250,000	(51)	0.00
Koninklijke Ahold 2017 Credit Default Swap Sell Protection <sup>1</sup>	€7,500,000	(87)	(0.01)
		<b>(1,025)</b>	<b>(0.07)</b>

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Short Term Bonds 15.81%</b>			
(2011 – 19.23%)			
Lafarge 6.875% Bonds 2012	£3,008,000	3,009	0.20
ASB Finance 3.25% Notes 2013	£703,000	714	0.05
Bradford & Bingley 5.625% Notes 2013	£1,000,000	1,010	0.07
Carlsberg Finance 7% Bonds 2013	£2,888,000	2,935	0.20
European Investment Bank 2.875% Bonds 2013	£3,300,000	3,326	0.22
European Investment Bank 4.50% Notes 2013	£506,000	510	0.03
Instituto de Credito Oficial 4.5% Notes 2013	£2,455,000	2,454	0.16
KFW 4.875% Notes 2013	£405,000	408	0.03
Kommunalbanken 2.25% Bonds 2013	£1,000,000	1,018	0.07
Morgan Stanley 5.375% Notes 2013	£1,953,000	2,016	0.14
Nordic Investment Bank 1.625% Bonds 2013	£1,500,000	1,518	0.10
NRW Bank 1.625% Notes 2013	£2,000,000	2,015	0.14
Pacific Life Funding 6% Notes 2013	£235,000	242	0.02
Abbey National Treasury Services 5.5% Notes 2014	£1,750,000	1,843	0.12
Allied Domecq 6.625% Notes 2014	£1,000,000	1,071	0.07
American Express Credit 5.375% Notes 2014	£500,000	538	0.04
European Bank for Reconstruction & Development 0.875% Notes 2014	£750,000	754	0.05
European Investment Bank 3.375% Notes 2014	£2,807,000	2,943	0.20
European Investment Bank 6.25% Bonds 2014	£11,050,000	11,923	0.80
Export Development Canada 1% Notes 2014	£1,400,000	1,411	0.09
Instituto de Credito Oficial 4% Bonds 2014	£584,000	574	0.04
International Bank for Reconstruction & Development 0.875% Notes 2014	£1,500,000	1,510	0.10
KFW 3.125% Bonds 2014	£5,000,000	5,253	0.35
KFW 3.25% Bonds 2014	£10,000,000	10,339	0.69
KFW 5.375% Bonds 2014	£1,215,000	1,285	0.08
Kommunalbanken 1.375% Notes 2014	£600,000	607	0.04
Kraft Foods 5.375% Bonds 2014	£800,000	865	0.06
Lloyds TSB Bank 6.375% Notes 2014	£717,000	768	0.05

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Short Term Bonds (continued)</b>			
Merrill Lynch 5.75% Notes 2014	£1,000,000	1,073	0.07
Metropolitan Life Global Funding 5.25% Bonds 2014	£1,000,000	1,045	0.07
Network Rail Infrastructure 2.5% Notes 2014	£2,290,000	2,349	0.16
Pearson 7% Bonds 2014	£691,000	763	0.05
Royal Bank of Scotland 6.375% Bonds 2014	£4,460,000	4,768	0.32
Anglian Water Services Financing 5.25% Bonds 2015	£373,000	413	0.03
BAA Funding 5.85% Bonds 2015	£1,200,000	1,253	0.08
Danske Bank 4% Notes 2015	£353,000	371	0.02
European Investment Bank 2.25% Notes 2015	£2,850,000	2,942	0.20
European Investment Bank 3% Bonds 2015	£7,850,000	8,346	0.56
European Investment Bank 4.375% Notes 2015	£6,560,000	7,173	0.48
FCE Bank 5.125% Notes 2015	£1,900,000	2,055	0.14
Goldman Sachs Group 5.25% Bonds 2015	£1,800,000	1,947	0.13
Heineken 7.25% Bonds 2015	£1,100,000	1,240	0.08
HFC Bank 7% Notes 2015	£300,000	335	0.02
KFW 2.75% Notes 2015	£7,600,000	8,029	0.54
KFW 5.5% Bonds 2015	£1,010,000	1,154	0.08
Lloyds TSB Bank 6.625% Notes 2015	£1,000,000	1,064	0.07
National Westminster Bank 7.875% Notes 2015	£5,000,000	5,421	0.36
Network Rail Infrastructure 1.25% Bonds 2015	£4,400,000	4,464	0.30
Network Rail Infrastructure 4.875% Notes 2015	£1,169,000	1,316	0.09
Nordea Bank 3.875% Notes 2015	£1,750,000	1,881	0.13
Pearson Funding One 6% Bonds 2015	£200,000	226	0.01
Reseau Ferre de France 2.375% Notes 2015	£2,000,000	2,059	0.14
Royal Bank of Scotland 9.625% Bonds 2015	£8,300,000	9,299	0.62
Santander International Debt 3.16% Notes 2015	£8,600,000	8,402	0.56
ASIF III (Jersey) 5.375% Notes 2016	£1,000,000	1,097	0.07
Bank of America 5.25% Notes 2016	£1,100,000	1,158	0.08

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Short Term Bonds (continued)</b>			
Carlsberg 7.25% Notes 2016	£359,000	431	0.03
Centrica 5.5% Notes 2016	£100,000	114	0.01
Compagnie de St-Gobain 5.625% Notes 2016	£900,000	1,011	0.07
European Investment Bank 3.25% Notes 2016	£2,850,000	3,096	0.21
European Investment Bank 4.875% Notes 2016	£6,150,000	7,019	0.47
France Telecom 5% Notes 2016	£871,000	964	0.06
Hammerson 5.25% Bonds 2016	£830,000	920	0.06
ING Bank 3.875% Bonds 2016	£1,500,000	1,595	0.11
Intercontinental Hotels 6% Bonds 2016	£3,400,000	3,838	0.26
JPMorgan Chase Bank 5.375% Bonds 2016 <sup>2</sup>	£1,300,000	1,435	0.10
KFW 1.75% Notes 2016	£3,000,000	3,088	0.21
Koninklijke KPN 5.75% Bonds 2016	£100,000	112	0.01
Linde Finance 6.5% Bonds 2016	£1,365,000	1,585	0.11
London Power Networks 5.375% Notes 2016	£100,000	113	0.01
Next 5.875% Bonds 2016	£500,000	566	0.04
Reed Elsevier 5.625% Notes 2016	£1,000,000	1,134	0.08
Rolls-Royce 7.375% Notes 2016	£232,000	280	0.02
Stagecoach Group 5.75% Bonds 2016	£1,200,000	1,332	0.09
UBS 6.375% Notes 2016	£2,550,000	2,954	0.20
UniCredit 5% Bonds 2016	£750,000	683	0.05
United Business Media 6.5% Bonds 2016	£1,039,000	1,190	0.08
Wales & West Utilities Finance 5.125% Notes 2016	£500,000	558	0.04
William Hill 7.125% Bonds 2016	£2,527,000	2,765	0.19
Abbey National Treasury Services 4.125% Notes 2017	£5,750,000	6,107	0.41
Anheuser-Busch InBev 6.5% Notes 2017	£2,150,000	2,600	0.17
Barclays Bank 1.5% Notes 2017	£943,000	967	0.06
BASF 5.875% Notes 2017	£450,000	532	0.04
BMW Finance 5% Notes 2017	£800,000	906	0.06
BSkyB Finance UK 5.75% Notes 2017	£1,100,000	1,279	0.09
Close Brothers Group 6.5% Bonds 2017	£6,300,000	6,790	0.46

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Short Term Bonds (continued)</b>			
Deutsche Bahn Finance 1.375% Notes 2017	£4,520,000	4,533	0.30
European Investment Bank 8.75% Bonds 2017	£2,900,000	3,884	0.26
FCE Bank 4.825% Notes 2017	£200,000	217	0.01
GE Capital 4.125% Notes 2017	£1,700,000	1,846	0.12
Goldman Sachs Group 6.125% Notes 2017	£1,400,000	1,514	0.10
Holcim GB Finance 8.75% Notes 2017	£352,000	433	0.03
JPMorgan Chase Bank 4.25% Notes 2017 <sup>2</sup>	£1,500,000	1,628	0.11
JPMorgan Chase Bank 6.125% Bonds 2017 <sup>2</sup>	£4,500,000	4,140	0.28
Lafarge 8.75% Notes 2017	£1,000,000	1,188	0.08
Lloyds TSB Bank 1.5% Bonds 2017	£2,800,000	2,866	0.19
Morgan Stanley 5.75% Notes 2017	£1,150,000	1,259	0.08
National Express Group 6.25% Notes 2017	£3,475,000	3,817	0.26
National Grid Gas 6% Notes 2017	£222,000	263	0.02
Nomura Europe Finance 5.5% Bonds 2017	£1,450,000	1,574	0.11
Northumbrian Water Finance 6% Bonds 2017	£367,000	432	0.03
Royal Bank of Scotland 6% Notes 2017	£607,000	699	0.05
Safeway 6% Notes 2017	£235,000	274	0.02
Scotland Gas Network 4.75% Bonds 2017	£700,000	777	0.05
Scottish Power 8.375% Bonds 2017	£635,000	769	0.05
Unilever 4.75% Notes 2017	£1,100,000	1,265	0.08
WPP Group 6% Bonds 2017	£1,477,000	1,703	0.11
		<b>235,547</b>	<b>15.81</b>

<b>Sterling Denominated Medium Term Bonds 33.61%</b>			
(2011 – 37.83%)			
American International Group 6.765% Notes 2017	£1,900,000	2,222	0.15
BG Energy Capital 5.125% Notes 2017	£1,500,000	1,736	0.12
DNB Bank 6.52% Notes 2017	£639,000	639	0.04
European Investment Bank 4.125% Notes 2017	£600,000	680	0.05

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Medium Term Bonds (continued)</b>			
France Telecom 8% Bonds 2017	£583,000	739	0.05
GE Capital 6.25% Notes 2017	£1,400,000	1,656	0.11
Intesa Sanpaolo 6.375% Notes 2017	£650,000	626	0.04
Reed Elsevier 7% Notes 2017	£700,000	856	0.06
Toyota Motor Credit 4% Notes 2017	£1,000,000	1,106	0.08
Vodafone Group 5.375% Notes 2017	£530,000	620	0.04
Anglian Water (Osprey) Financing 7% Notes 2018	£550,000	596	0.04
Anglo American Capital 6.875% Notes 2018	£570,000	667	0.05
ASIF III 5% Notes 2018	£700,000	756	0.05
BAA Funding 6.25% Notes 2018	£1,150,000	1,302	0.09
BAA Funding 12.45% Bonds 2018	£1,000,000	1,325	0.09
Bank Nederlandse Gemeenten 1.875% Notes 2018	£1,500,000	1,498	0.10
Bayer 5.625% Notes 2018	£1,000,000	1,190	0.08
BMW Finance 3.375% Notes 2018	£2,100,000	2,221	0.15
BP Capital Markets 4.325% Bonds 2018	£2,050,000	2,308	0.16
Centrica 7% Notes 2018	£250,000	315	0.02
Citigroup 5.125% Bonds 2018	£2,252,000	2,377	0.16
Coventry Building Society 4.625% Notes 2018	£2,551,000	2,904	0.19
Daily Mail & General Trust 5.75% Bonds 2018	£500,000	529	0.04
DNB Bank 6.17% Bonds 2018	£500,000	503	0.03
European Investment Bank 4.75% Bonds 2018	£3,600,000	4,224	0.28
Experian Finance 4.75% Notes 2018	£1,135,000	1,277	0.09
GE Capital Funding 6.75% Notes 2018	£1,300,000	1,574	0.11
HSBC Holdings 9.875% Bonds 2018	£210,000	217	0.01
Kraft Foods 7.25% Bonds 2018	£3,000,000	3,763	0.25
Merrill Lynch 7.75% Bonds 2018	£2,500,000	3,011	0.20
Nationwide Building Society 5.25% Bonds 2018	£5,041,000	5,005	0.34
Post NL 7.5% Bonds 2018	£6,900,000	8,452	0.57
Royal Bank of Scotland 6.625% Bonds 2018	£3,180,000	3,860	0.26
Safeway 6.125% Bonds 2018	£600,000	732	0.05
Severn Trent Water Utilities Finance 6% Notes 2018	£150,000	178	0.01



# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Medium Term Bonds (continued)</b>			
Southern Gas Network 5.125% Notes 2018	£800,000	912	0.06
SSE 5% Notes 2018	£1,400,000	1,609	0.11
UBS 6.625% Bonds 2018	£2,500,000	3,039	0.20
UniCredit 6.375% Bonds 2018	£5,800,000	5,043	0.34
Verizon Wireless Capital 8.875% Bonds 2018	£1,580,000	2,174	0.15
Virgin Media Secured Finance 7% Notes 2018	£4,350,000	4,700	0.32
Vodafone Group 8.125% Bonds 2018	£1,200,000	1,597	0.11
Bank of America 5.5% Bonds 2019	£1,300,000	1,474	0.10
Bank of Scotland 6.375% Notes 2019	£911,000	926	0.06
Cable & Wireless International Finance 8.625% Bonds 2019	£1,000,000	1,059	0.07
Deutsche Telekom International Finance 7.375% Bonds 2019	£700,000	908	0.06
E.ON International Finance 6% Notes 2019	£2,400,000	2,945	0.20
ENEL 6.25% Notes 2019	£1,000,000	1,073	0.07
G4S 7.75% Notes 2019	£2,100,000	2,603	0.17
GE Capital 4.375% Notes 2019	£1,700,000	1,845	0.12
GKN Holdings 6.75% Bonds 2019	£1,100,000	1,233	0.08
Glencore Finance 6.5% Notes 2019	£1,700,000	1,927	0.13
HSBC Finance 6.25% Bonds 2019	£300,000	350	0.02
John Lewis 8.375% Notes 2019	£5,675,000	7,411	0.50
Land Securities Capital Markets 4.875% Notes 2019	£2,707,000	3,054	0.20
Marks & Spencer 6.125% Notes 2019	£2,100,000	2,367	0.16
Motability Operations 6.625% Notes 2019	£1,300,000	1,653	0.11
Nationwide Building Society 5.625% Notes 2019	£2,100,000	2,456	0.16
Porterbrook Rail Finance 5.5% Notes 2019	£1,000,000	1,133	0.08
Rolls-Royce 6.75% Notes 2019	£1,500,000	1,888	0.13
Santander Issuances 7.3% Notes 2019	£1,750,000	1,671	0.11
Segro 6% Bonds 2019	£600,000	689	0.05
South East Water (Finance) 5.6577% Bonds 2019	£500,000	582	0.04
Svenska Handelsbanken 4% Notes 2019	£1,600,000	1,772	0.12

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Medium Term Bonds (continued)</b>			
Tate & Lyle 6.75% Bonds 2019	£635,000	784	0.05
Thames Water (Kemble) Finance 7.75% Notes 2019	£2,700,000	2,930	0.20
Vattenfall 6.125% Notes 2019	£1,000,000	1,257	0.08
Virgin Media Finance 8.875% Notes 2019	£2,760,000	3,158	0.21
Yorkshire Water 6% Notes 2019	£2,350,000	2,835	0.19
AXA 7.125% Notes 2020	£900,000	998	0.07
British Land 6.75% Bonds 2020	£400,000	476	0.03
CDC Marches 5.875% Notes 2020	£910,000	1,046	0.07
DNB Bank 4.25% Notes 2020	£1,100,000	1,217	0.08
DNB Bank 7.25% Notes 2020	£1,278,000	1,381	0.09
Eversholt Funding 5.831% Notes 2020	£500,000	583	0.04
GE Capital 5.875% Notes 2020	£1,400,000	1,664	0.11
Great Rolling Stock 6.25% Notes 2020	£1,817,000	2,159	0.14
Heathrow Funding 6% Bonds 2020	£400,000	446	0.03
HSBC Bank 4.75% Bonds 2020	£1,390,000	1,419	0.10
Lloyds TSB Bank 6.9625% Bonds 2020	£3,840,000	3,641	0.24
Metlife 5.25% Notes 2020	£1,100,000	1,277	0.09
National Express Group 6.625% Notes 2020	£2,200,000	2,513	0.17
National Grid Gas 6.375% Notes 2020	£700,000	873	0.06
Network Rail Infrastructure Finance 4.625% Bonds 2020	£2,900,000	3,511	0.24
Porterbrook Rail Finance 6.5% Bonds 2020	£4,952,000	6,004	0.40
Southern Gas Network 4.875% Bonds 2020	£600,000	680	0.05
WPP Finance 6.375% Bonds 2020	£1,250,000	1,545	0.10
Xstrata Finance Canada 7.375% Notes 2020	£4,350,000	5,307	0.36
Annington Finance (No.1) 8% Bonds 2021	£396,917	501	0.03
Bank of America 6.125% Notes 2021	£2,100,000	2,456	0.16
Bank of Scotland 9.375% Bonds 2021	£1,400,000	1,642	0.11
Barclays Bank 5.75% Notes 2021	£3,150,000	3,808	0.26
Barclays Bank 10% Notes 2021	£9,955,000	12,449	0.84
DWR Cymru Financing 6.907% Bonds 2021	£5,764,000	7,450	0.50

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Medium Term Bonds (continued)</b>			
Eastern Power Network 4.75% Bonds 2021	£1,200,000	1,339	0.09
European Investment Bank 4.25% Bonds 2021	£3,500,000	4,023	0.27
European Investment Bank 5.375% Bonds 2021	£6,250,000	7,705	0.52
Friends Life Group 12% Notes 2021	£500,000	615	0.04
GDF Suez 6.125% Bonds 2021	£2,100,000	2,589	0.17
GE Capital 5.5% Notes 2021	£1,000,000	1,149	0.08
Goldman Sachs Group 5.5% Notes 2021	£1,400,000	1,446	0.10
ING Bank 5.375% Notes 2021	£1,380,000	1,589	0.11
International Bank for Reconstruction & Development 5.4% Notes 2021	£249,000	319	0.02
Lloyds TSB Bank 10.75% Notes 2021	£1,279,000	1,470	0.10
Merrill Lynch 5.5% Notes 2021	£700,000	715	0.05
National Westminster Bank 6.5% Notes 2021	£400,000	401	0.03
Next 5.375% Notes 2021	£4,763,000	5,426	0.36
Old Mutual 8% Notes 2021	£4,235,000	4,443	0.30
RWE Finance 6.5% Notes 2021	£1,600,000	1,997	0.13
Segro 6.75% Notes 2021	£9,081,000	10,904	0.73
Southern Water Services Finance 5% Bonds 2021	£70,000	77	0.01
SSE 4.25% Notes 2021	£1,050,000	1,157	0.08
UBS 5.25% Bonds 2021	£1,200,000	1,218	0.08
Virgin Media Secured Finance 5.5% Notes 2021	£2,000,000	2,211	0.15
Wales & West Utilities Finance 6.25% Bonds 2021	£700,000	866	0.06
Wellcome Trust Finance 4.75% Notes 2021	£800,000	941	0.06
Wessex Water Services Finance 4% Bonds 2021	£700,000	749	0.05
Anglian Water 5.837% Bonds 2022	£700,000	854	0.06
Annington Finance (No.4) 0% Bonds 2022	£4,600,000	3,279	0.22
Barclays Bank 4.25% Notes 2022	£3,000,000	3,362	0.23
Centrica 6.375% Notes 2022	£1,350,000	1,711	0.11
Coventry Building Society 5.875% Notes 2022	£1,200,000	1,330	0.09
Deutsche Telekom 6.5% Notes 2022	£1,964,000	2,468	0.17

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Medium Term Bonds (continued)</b>			
EDF 6.875% Notes 2022	£250,000	325	0.02
Friends Life Group 8.25% Notes 2022	£3,964,000	4,081	0.27
GKN Holdings 5.375% Bonds 2022	£4,500,000	4,550	0.31
Glencore Finance 5.5% Bonds 2022	£750,000	798	0.05
HSBC Holdings 6.375% Notes 2022	£3,050,000	3,287	0.22
Imperial Tobacco 9% Notes 2022	£2,800,000	3,965	0.27
Intesa Sanpaolo 5.25% Bonds 2022	£1,050,000	997	0.07
Land Securities Capital Markets A3 5.425% Notes 2022	£700,000	829	0.06
Motability Operations 5.375% Notes 2022	£1,100,000	1,320	0.09
Northern Powergrid 7.25% Notes 2022	£500,000	651	0.04
Pepsico 2.5% Notes 2022	£2,300,000	2,298	0.15
Petroleos Mexicanos 8.25% Bonds 2022	£2,230,000	2,868	0.19
RWE Finance 5.5% Bonds 2022	£1,400,000	1,660	0.11
Treasury 4% Stock 2022	£25,800,000	30,952	2.08
United Utilities Water 5.75% Notes 2022	£166,000	200	0.01
Virgin Media Finance 5.125% Notes 2022	£8,610,000	8,622	0.58
American International Group 5% Notes 2023	£1,400,000	1,502	0.10
Anglian Water 6.875% Bonds 2023	£2,110,000	2,810	0.19
Annington Finance (No.4) 0% Bonds 2023	£1,130,000	714	0.05
Annington Finance (No.4) 6.5676% Bonds 2023	£1,960,000	2,076	0.14
BAA Funding 9.2% Bonds 2023	£700,000	982	0.07
Barclays Bank 6.75% Bonds 2023	£1,525,000	1,579	0.11
Credit Agricole 7.375% Notes 2023	£1,200,000	1,267	0.09
GE Capital 5.125% Notes 2023	£1,200,000	1,359	0.09
HSBC Bank 5% Notes 2023	£1,032,000	1,072	0.07
HSBC Bank 6.5% Bonds 2023	£800,000	942	0.06
ING Bank 6.875% Notes 2023	£3,350,000	3,640	0.24
Lloyds TSB Bank 9.625% Bonds 2023	£1,000,000	1,220	0.08
London Power Networks 5.125% Notes 2023	£800,000	921	0.06
Roche Finance 5.375% Bonds 2023	£365,000	462	0.03
RWE Finance 5.625% Notes 2023	£1,400,000	1,682	0.11

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Medium Term Bonds (continued)</b>			
Scottish Power 6.75% Bonds 2023	£800,000	987	0.07
Southern Gas Network 4.875% Notes 2023	£800,000	908	0.06
TDC 5.625% Notes 2023	£1,527,000	1,800	0.12
Wales & West Utilities Finance 4.625% Notes 2023	£700,000	779	0.05
Wells Fargo Bank 5.25% Notes 2023	£2,200,000	2,479	0.17
Western Power Distribution 5.25% Notes 2023	£2,000,000	2,335	0.16
Yorkshire Water Services Odsal Financial 6.5876% Bonds 2023	£623,000	810	0.05
Anheuser-Busch InBev 9.75% Notes 2024	£1,699,000	2,732	0.18
Bank of Scotland 4.875% Bonds 2024	£554,000	645	0.04
BHP Billiton Finance 3.25% Notes 2024	£5,000,000	4,963	0.33
Citigroup 5.875% Notes 2024	£1,300,000	1,373	0.09
Compagnie de St-Gobain 5.625% Notes 2024	£900,000	1,021	0.07
EDF Energy Networks 5.75% Notes 2024	£1,125,000	1,332	0.09
Enel Finance International 5.625% Notes 2024	£6,305,000	6,191	0.42
Gatwick Funding 5.25% Notes 2024	£1,000,000	1,105	0.07
Heathrow Funding 7.125% Notes 2024	£800,000	950	0.06
HSBC Holdings 6.5% Notes 2024	£5,800,000	7,432	0.50
Lloyds TSB Bank 7.5% Bonds 2024	£2,000,000	2,640	0.18
National Grid Gas 7% Bonds 2024	£380,000	510	0.03
Network Rail Infrastructure 4.75% Notes 2024	£2,244,000	2,763	0.19
Royal Bank of Scotland 5.125% Notes 2024	£1,400,000	1,662	0.11
Royal Bank of Scotland 7.5% Bonds 2024	£2,710,000	3,565	0.24
UBS 6.375% Notes 2024	£1,350,000	1,435	0.10
BG Energy Capital 5.125% Notes 2025	£2,150,000	2,550	0.17
European Investment Bank 5.5% Bonds 2025	£4,500,000	5,705	0.38
Eversholt Funding 6.359% Notes 2025	£600,000	731	0.05

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Medium Term Bonds (continued)</b>			
Goldman Sachs 7.125% Bonds 2025	£1,150,000	1,459	0.10
Heathrow Funding 5.225% Bonds 2025	£1,721,000	1,968	0.13
John Lewis 6.125% Bonds 2025	£700,000	848	0.06
KFW 5.5% Bonds 2025	£122,000	159	0.01
Land Securities Capital Markets 4.875% Notes 2025	£800,000	932	0.06
Lloyds TSB Bank 5.125% Notes 2025	£1,400,000	1,660	0.11
Lloyds TSB Bank 5.75% Notes 2025	£4,200,000	3,721	0.25
Lloyds TSB Bank 7.625% Notes 2025	£4,950,000	5,275	0.35
Mitchells & Butlers 5.965% Bonds 2025	£828,696	893	0.06
National Grid 8.75% Bonds 2025	£850,000	1,298	0.09
Thames Water Utilities Cayman 5.375% Bonds 2025	£3,172,000	3,461	0.23
UBS 8.75% Notes 2025	£403,000	506	0.03
Vodafone Group 5.625% Bonds 2025	£763,000	942	0.06
Western Power Distribution 5.5% Notes 2025	£850,000	1,044	0.07
Yorkshire Water Services Bradford Finance 6% Bonds 2025	£1,666,000	1,852	0.12
Abbey National Treasury Services 5.75% Notes 2026	£3,400,000	4,276	0.29
ABP Finance 6.25% Notes 2026	£3,000,000	3,243	0.22
America Movil 5% Bonds 2026	£700,000	811	0.05
Amlin 6.5% Notes 2026	£500,000	479	0.03
Centrica 6.4% Municipal Index Linked Notes 2026	£100,000	129	0.01
Citigroup 5.15% Notes 2026	£1,700,000	1,864	0.13
Dexia Municipal Agency 5.5% Notes 2026	£400,000	423	0.03
EDF Energy Networks 5.5% Notes 2026	£900,000	1,062	0.07
Hammerson 6% Bonds 2026	£960,000	1,142	0.08
Hutchison Whampoa Finance 5.625% Bonds 2026	£500,000	603	0.04
Insurance Australia Group 5.625% Bonds 2026	£1,600,000	1,515	0.10
IPIC 6.875% Notes 2026	£1,350,000	1,680	0.11
Land Securities Capital Markets A4 5.391% Notes 2026	£563,000	669	0.04
Nationwide Building Society 5.625% Bonds 2026	£2,200,000	2,802	0.19

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Medium Term Bonds (continued)</b>			
NIE Finance 6.375% Notes 2026	£4,528,000	5,276	0.35
Porterbrook Rail Finance 7.125% Notes 2026	£5,243,000	6,880	0.46
Southern Water Services 6.64% Notes 2026	£3,204,000	4,054	0.27
SPD UK Finance 5.875% Notes 2026	£1,400,000	1,617	0.11
Telefonica Emisiones 5.375% Notes 2026	£1,394,000	1,314	0.09
Affinity Water Finance 5.875% Notes 2026	£600,000	724	0.05
Anglian Water Services Financing 4.5% Notes 2027	£200,000	218	0.01
AT&T Income 5.5% Notes 2027	£1,600,000	1,920	0.13
British Sky Broadcasting 6% Bonds 2027	£950,000	1,148	0.08
Compagnie de Financement Foncier 5.5% Bonds 2027	£900,000	1,021	0.07
Daily Mail & General Trust 6.375% Bonds 2027	£1,750,000	1,682	0.11
EDF Energy Networks 6.125% Notes 2027	£800,000	980	0.07
Land Securities Capital Markets A5 5.391% Notes 2027	£5,850,000	7,026	0.47
Motability Operations 4.375% Notes 2027	£300,000	326	0.02
Rabobank Nederland 5.25% Notes 2027	£6,100,000	6,310	0.42
Western Power Distribution (South West) 5.875% Bonds 2027	£390,000	467	0.03
		<b>500,833</b>	<b>33.61</b>
<b>Sterling Denominated Long Term Bonds 41.39%</b>			
(2011 – 36.73%)			
European Investment Bank 3.75% Bonds 2027	£800,000	843	0.06
HSBC Holdings 5.75% Notes 2027	£1,874,000	2,024	0.14
BAA Funding 6.75% Notes 2028	£2,025,000	2,643	0.18
Bank Nederlandse Gemeenten 5.2% Bonds 2028	£300,000	364	0.03
Bank of America 7% Notes 2028	£3,900,000	4,952	0.33
British Land 5.357% Bonds 2028	£800,000	846	0.06
Deutsche Telekom International Finance 8.875% Bonds 2028	£3,763,000	5,848	0.39

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Long Term Bonds (continued)</b>			
DWR Cymru Financing 6.015% Bonds 2028	£950,000	1,204	0.08
EDF 6.25% Bonds 2028	£1,400,000	1,744	0.12
European Bank for Reconstruction & Development 5.625% Notes 2028	£136,000	182	0.01
European Investment Bank 0% Bonds 2028	£8,922,000	5,005	0.34
European Investment Bank 6% Bonds 2028	£8,543,000	11,463	0.77
France Telecom 8.125% Bonds 2028	£1,500,000	2,179	0.15
Gatwick Funding 6.125% Notes 2028	£950,000	1,141	0.08
GDF Suez 7% Bonds 2028	£1,400,000	1,945	0.13
GE Capital 5.25% Notes 2028	£1,300,000	1,469	0.10
Goldman Sachs Group 7.25% Notes 2028	£400,000	513	0.04
Hammerson 7.25% Bonds 2028	£25,000	33	0.00
HSBC Holdings 6.75% Bonds 2028	£2,100,000	2,505	0.17
KFW 6% Bonds 2028	£311,000	433	0.03
LCR Finance 4.5% Bonds 2028	£136,000	163	0.01
Muenchener Rueckversicherungs 7.625% Bonds 2028	£2,350,000	2,762	0.19
National Grid Electricity Transmission 6.5% Bonds 2028	£800,000	1,056	0.07
SSE 8.375% Notes 2028	£1,400,000	2,159	0.15
Treasury 6% Stock 2028	£35,050,000	51,954	3.49
Wales & West Utilities Finance 5% Notes 2028	£400,000	452	0.03
Wessex Water Services Finance 5.375% Bonds 2028	£585,000	690	0.05
Abbey National Treasury Services 5.25% Bonds 2029	£2,200,000	2,623	0.18
Anglian Water Services Finance 6.625% Bonds 2029	£1,108,000	1,499	0.10
Centrica 4.375% Notes 2029	£2,100,000	2,256	0.15
Comcast 5.5% Notes 2029	£1,900,000	2,278	0.15
DirectV Holdings 4.375% Notes 2029	£6,900,000	6,936	0.47
European Investment Bank 4.5% 2029	£2,900,000	3,346	0.23
Koninklijke KPN 5.75% Notes 2029	£7,558,000	8,552	0.57
Land Securities Capital Markets A6 5.376% Notes 2029	£900,000	1,076	0.07
Lloyds TSB Bank 6% Bonds 2029	£2,900,000	3,753	0.25



# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Long Term Bonds (continued)</b>			
Severn Trent Water Utilities Finance 6.25% Bonds 2029	£2,041,000	2,631	0.18
Southern Gas Network 4.875% Bonds 2029	£1,100,000	1,212	0.08
Southern Water Services Finance 6.192% Bonds 2029	£1,000,000	1,220	0.08
Telefonica Emisiones 5.445% Notes 2029	£1,200,000	1,094	0.07
Wells Fargo Bank 3.5% Notes 2029	£2,650,000	2,594	0.17
America Movil 5.75% Bonds 2030	£1,580,000	1,957	0.13
Anglian Water Services Finance 6.293% Bonds 2030	£917,000	1,197	0.08
Brit Insurance 6.625% Notes 2030	£55,000	36	0.00
Deutsche Telekom 7.125% Bonds 2030	£950,000	1,356	0.09
Heathrow Funding 7.075% Bonds 2030	£600,000	801	0.05
HJ Heinz 6.25% Bonds 2030	£660,000	807	0.05
HSBC Bank 5.375% Notes 2030	£3,150,000	3,104	0.21
Mitchells & Butlers 5.574% Bonds 2030	£1,194,222	1,307	0.09
Mitchells & Butlers 6.013% Bonds 2030	£1,015,000	1,053	0.07
Motability Operations 5.625% Notes 2030	£800,000	994	0.07
Network Rail Infrastructure Finance 4.375% Notes 2030	£5,896,000	7,105	0.48
Procter & Gamble 6.25% Bonds 2030	£1,100,000	1,508	0.10
RWE Finance 6.25% Notes 2030	£2,225,000	2,825	0.19
South Eastern Power Networks 5.625% Notes 2030	£650,000	764	0.05
Thames Water Utilities Cayman 5.75% Notes 2030	£3,914,000	4,364	0.29
Treasury 4.75% Stock 2030	£50,000	66	0.00
Wales & West Utilities Finance 5.75% Notes 2030	£800,000	975	0.07
Wal-Mart Stores 5.75% Bonds 2030	£1,400,000	1,816	0.12
Broadgate Financing (A2) 4.949% Bonds 2031	£686,680	788	0.05
Citigroup 4.5% Bonds 2031	£5,200,000	4,460	0.30
East Japan Railway 4.75% Notes 2031	£1,000,000	1,131	0.08
EDF 5.875% Bonds 2031	£1,731,000	2,048	0.14

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Long Term Bonds (continued)</b>			
GE Capital 5.625% Notes 2031	£500,000	575	0.04
Great Rolling Stock 6.5% Bonds 2031	£1,544,000	1,895	0.13
Greene King Finance 5.318% Notes 2031	£669,511	670	0.04
Legal & General Group 5.875% Notes 2031	£1,000,000	1,212	0.08
National Grid Electricity Transmission 7.375% Notes 2031	£4,678,000	6,653	0.45
Places for People Homes 5.875% Notes 2031	£400,000	464	0.03
RZD Capital 7.487% Notes 2031	£3,000,000	3,570	0.24
South Eastern Power Networks 6.375% Notes 2031	£800,000	1,008	0.07
Time Warner Cable 5.75% Notes 2031	£1,800,000	2,106	0.14
Yorkshire Water Services Odsal Financial 6.6011% Bonds 2031	£520,000	692	0.05
Dong Energy 4.875% Notes 2032	£2,100,000	2,271	0.15
Thames Water Utilities Cayman 6.5% Bonds 2032	£600,000	799	0.05
Western Power Distribution 5.75% Notes 2032	£2,300,000	2,717	0.18
McDonalds 5.875% Bonds 2032	£438,000	582	0.04
E.ON International Finance 6.375% Notes 2032	£2,747,000	3,630	0.24
European Investment Bank 5.625% Bonds 2032	£521,000	692	0.05
KFW 5.75% Bonds 2032	£3,231,000	4,477	0.30
Southern Electric Power Distribution 5.5% Bonds 2032	£1,513,000	1,839	0.12
Land Securities Capital Markets Class A7 5.396% Notes 2032	£900,000	1,079	0.07
Mitchells & Butlers 6.469% Bonds 2032	£502,000	471	0.03
Vodafone Group 5.9% Bonds 2032	£1,302,000	1,634	0.11
Broadgate Financing (C2) 5.098% Bonds 2033	£600,000	545	0.04
Canary Wharf Finance II A1 6.455% Bonds 2033	£3,194,618	4,008	0.27
Centrica 7% Bonds 2033	£3,995,000	5,619	0.38
East Japan Railway 5.25% Notes 2033	£750,000	905	0.06
GE Capital 5.875% Notes 2033	£1,900,000	2,266	0.15

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Long Term Bonds (continued)</b>			
Glaxosmithkline Capital 5.25% Notes 2033	£2,900,000	3,642	0.24
Heathrow Funding 6.45% Bonds 2033	£2,628,000	3,290	0.22
HSBC Bank 5.375% Notes 2033	£1,500,000	1,546	0.10
Juturna (European Loan Conduit No 16) 5.0636% Bonds 2033	£2,173,573	2,377	0.16
Legal & General Group 5.875% Notes 2033	£600,000	733	0.05
Northumbrian Water Finance 5.625% Bonds 2033	£6,547,000	7,882	0.53
Procter & Gamble 5.25% Bonds 2033	£500,000	625	0.04
Telereal Securitisation 6.1645% Bonds 2033	£4,657,700	5,243	0.35
Wessex Water Services Finance 5.75% Bonds 2033	£411,000	504	0.03
B.A.T. International Finance 6% Notes 2034	£1,400,000	1,752	0.12
East Japan Railway 4.875% Notes 2034	£750,000	870	0.06
France Telecom 5.625% Bonds 2034	£1,454,000	1,704	0.11
Greene King Finance 5.106% Notes 2034	£410,000	388	0.03
RWE Finance 4.75% Notes 2034	£1,700,000	1,821	0.12
Scotland Gas Network 4.875% Bonds 2034	£700,000	757	0.05
Thames Water Utilities Cayman 4.375% Bonds 2034	£1,100,000	1,157	0.08
Wal-Mart Stores 5.625% Bonds 2034	£3,186,000	4,114	0.28
British Land 5.264% Bonds 2035	£900,000	890	0.06
Control Section 1 Finance 5.234% Bonds 2035	£512,000	632	0.04
Eversholt Funding 6.697% Notes 2035	£6,265,000	7,780	0.52
Great Rolling Stock 6.875% Notes 2035	£1,470,000	1,814	0.12
Northern Electric Finance 5.125% Bonds 2035	£400,000	443	0.03
Slough Estates 5.75% Notes 2035	£513,000	539	0.04
Wal-Mart Stores 5.25% Bonds 2035	£3,250,000	3,934	0.26
Wells Fargo 4.625% Bonds 2035	£2,117,000	2,295	0.15
Wells Fargo 4.875% Bonds 2035	£5,850,000	5,762	0.39
White City Property Finance 5.1202% Bonds 2035	£1,079,048	1,170	0.08
Yorkshire Electricity 5.125% Bonds 2035	£500,000	553	0.04

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Long Term Bonds (continued)</b>			
Aviva 6.125% Notes 2036	£2,650,000	2,486	0.17
BG Energy Capital 5% Notes 2036	£2,200,000	2,466	0.17
East Japan Railway 4.5% Notes 2036	£750,000	807	0.05
EDF Energy Networks 6.25% Notes 2036	£1,000,000	1,251	0.08
Land Securities Capital Markets 5.125% Bonds 2036	£1,400,000	1,633	0.11
Longstone Finance 4.791% Bonds 2036	£1,391,851	1,573	0.11
Longstone Finance 4.896% Notes 2036	£560,000	560	0.04
Wales & West Utilities Finance 6.75% Notes 2036	£300,000	352	0.02
Wellcome Trust Finance 4.625% Bonds 2036	£1,441,000	1,644	0.11
Canary Wharf Finance II 1st Mortgage Debenture 5.952% Bonds 2037	£1,200,000	1,495	0.10
E.ON International Finance 5.875% Bonds 2037	£4,400,000	5,520	0.37
EDF 5.5% Notes 2037	£1,400,000	1,562	0.10
ENEL 5.75% Notes 2037	£1,623,000	1,448	0.10
European Investment Bank 3.875% Bonds 2037	£900,000	944	0.06
Gatwick Funding 5.75% Notes 2037	£600,000	661	0.04
GE Capital 4.875% Notes 2037	£2,200,000	2,190	0.15
Marks & Spencer 6.875% Notes 2037	£5,000,000	5,015	0.34
Southern Electric Power Distribution 4.625% Notes 2037	£50,000	54	0.00
Thames Water Utilities Finance 5.125% Notes 2037	£1,747,000	1,989	0.13
Veolia Environnement 6.125% Bonds 2037	£2,650,000	3,085	0.21
Yorkshire Water Services 5.5% Bonds 2037	£150,000	179	0.01
Circle Anglia Social Housing 7.25% Notes 2038	£1,200,000	1,705	0.11
GE Capital 6.25% Notes 2038	£1,900,000	2,368	0.16
Goldman Sachs Group 6.875% Bonds 2038	£1,003,000	1,080	0.07
HSBC Holdings 7% Notes 2038	£2,250,000	2,743	0.18
National Grid Gas 6% Bonds 2038	£55,000	69	0.00
Pfizer 6.5% Bonds 2038	£4,400,000	6,228	0.42

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Long Term Bonds (continued)</b>			
Southern Water Services Finance 7.869% Bonds 2038	£2,392,000	2,513	0.17
SSE 6.25% Notes 2038	£200,000	262	0.02
Citigroup 7.375% Bonds 2039	£5,131,000	6,836	0.46
E.ON International Finance 6.75% Bonds 2039	£2,000,000	2,779	0.19
European Investment Bank 5% Bonds 2039	£4,600,000	5,717	0.38
GE Capital 8% Notes 2039	£1,832,000	2,718	0.18
GlaxoSmithKline Capital 6.375% Notes 2039	£1,590,000	2,249	0.15
RSA Insurance Group 9.375% Notes 2039	£7,266,000	8,901	0.60
RWE Finance 6.125% Notes 2039	£6,350,000	7,925	0.53
Vattenfall 6.875% Notes 2039	£2,871,000	4,121	0.28
Wal-Mart Stores 4.875% Bonds 2039	£4,650,000	5,375	0.36
Yorkshire Water Services 6.375% Bonds 2039	£3,350,000	4,463	0.30
Anglian Water 5.5% Notes 2040	£430,000	470	0.03
Aspire Defence Finance A 4.674% Bonds 2040	£2,483,000	2,594	0.17
Aspire Defence Finance B 4.674% Bonds 2040	£4,383,000	4,584	0.31
AT&T 7% Notes 2040	£7,350,000	10,454	0.70
Dong Energy 5.75% Notes 2040	£1,511,000	1,797	0.12
ENEL Finance International 5.75% Bonds 2040	£3,747,000	3,297	0.22
GE Capital 5.375% Notes 2040	£1,200,000	1,346	0.09
HSBC Holdings 6% Notes 2040	£2,701,000	2,952	0.20
Hyde Housing Association 5.125% Bonds 2040	£2,611,000	3,043	0.20
Lloyds TSB Bank 6.5% Notes 2040	£4,670,000	5,783	0.39
London & Quadrant 5.5% Bonds 2040	£4,325,000	5,348	0.36
Northern Gas 5.625% Notes 2040	£2,205,000	2,548	0.17
Southern Gas Network 6.375% Notes 2040	£700,000	893	0.06
Western Power Distribution 5.75% Bonds 2040	£500,000	586	0.04
Western Power Distribution 5.75% Notes 2040	£850,000	1,061	0.07
America Movil 4.375% Bonds 2041	£495,000	487	0.03
Aviva 6.625% Notes 2041	£1,500,000	1,451	0.10
CNP Assurances 7.375% Notes 2041	£2,200,000	2,109	0.14

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Long Term Bonds (continued)</b>			
EDF 5.5% Bonds 2041	£4,400,000	4,918	0.33
HSBC Bank 6.25% Notes 2041	£628,000	737	0.05
Legal & General Group 10% Bonds 2041	£965,000	1,251	0.08
Rabobank Nederland 5.25% Bonds 2041	£2,400,000	2,674	0.18
Thames Water Cayman 5.5% Notes 2041	£1,150,000	1,379	0.09
BHP Billiton Finance 4.3% Notes 2042	£3,800,000	3,819	0.26
Direct Line Insurance 9.25% Notes 2042	£2,500,000	2,756	0.18
GlaxoSmithKline 5.25% Bonds 2042	£3,409,000	4,172	0.28
Hastoe Capital 5.6% Bonds 2042	£300,000	319	0.02
Muenchener Rueckversicherungs 6.625% Notes 2042	£800,000	896	0.06
Northumbrian Water Finance 5.125% Bonds 2042	£1,000,000	1,101	0.07
Notting Hill Housing Trust 5.25% Bonds 2042	£1,704,000	2,013	0.14
Saxon Weald Capital 5.375% Bonds 2042	£300,000	329	0.02
Severn Trent Water Utilities Finance 4.875% Notes 2042	£700,000	743	0.05
Time Warner Cable 5.25% Notes 2042	£2,600,000	2,771	0.19
Transport for London 3.875% Notes 2042	£1,000,000	1,007	0.07
Gatwick Funding 6.5% Notes 2043	£900,000	1,093	0.07
Heathrow Funding 5.875% Bonds 2043	£2,200,000	2,563	0.17
Places for People Homes 5.09% Bonds 2043	£1,100,000	1,232	0.08
Sovereign Housing 4.768% Notes 2043	£500,000	552	0.04
AT&T Income 4.875% Bonds 2044	£2,200,000	2,355	0.16
Centrica 4.25% Notes 2044	£2,200,000	2,141	0.14
Circle Anglia Social Housing 5.2% Notes 2044	£400,000	441	0.03
European Investment Bank 4.5% Notes 2044	£2,000,000	2,304	0.15
HSBC Bank 4.75% Notes 2046	£1,811,000	1,627	0.11
Thames Water Utilities Cayman 4.625% Bonds 2046	£1,100,000	1,131	0.08

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Long Term Bonds (continued)</b>			
Sanctuary Capital 5% Bonds 2047	£1,500,000	1,694	0.11
EDF 5.125% Notes 2050	£3,950,000	4,084	0.27
France Telecom 5.375% Bonds 2050	£1,550,000	1,661	0.11
LCR Finance 5.1% Bonds 2051	£3,100,000	4,177	0.28
Southern Water Services Finance 4.5% Bonds 2052	£534,000	488	0.03
European Investment Bank 4.625% Notes 2054	£2,100,000	2,478	0.17
Aviva 6.875% Bonds 2058	£4,726,000	4,329	0.29
Thames Water Cayman 7.241% Bonds 2058	£3,050,000	3,745	0.25
GDF Suez 5% Bonds 2060	£3,850,000	4,099	0.28
Rabobank Nederland 5.375% Bonds 2060	£2,900,000	3,271	0.22
Reseau Ferre de France 4.83% Bonds 2060	£7,250,000	7,544	0.51
Linde Finance 8.125% Bonds 2066	£700,000	811	0.05
Siemens Financiering 6.125% Notes 2066	£2,200,000	2,392	0.16
American International Group 5.75% Notes 2067	£900,000	820	0.06
American International Group 8.625% Notes 2068	£1,500,000	1,760	0.12
BG Energy Capital 6.5% Notes 2072	£850,000	915	0.06
Aviva 6.125% Perpetual Notes	£2,740,000	2,353	0.16
AXA 6.6862% Perpetual Notes	£1,000,000	827	0.06
Bank of Scotland 7.281% Perpetual Bonds	£1,000,000	855	0.06
Bank of Scotland 7.286% Perpetual Bonds	£2,090,000	1,787	0.12
Barclays Bank 14% Perpetual Bonds	£9,950,000	12,782	0.86
Barclays Bank 6.125% Perpetual Bonds	£2,000,000	1,625	0.11
Credit Agricole 8.125% Perpetual Bonds	£1,650,000	1,521	0.10
DNB Bank 6.0116% Perpetual Notes	£2,450,000	2,459	0.17
HSBC Bank Funding 5.862% Perpetual Bonds	£800,000	762	0.05
HSBC Capital Funding 5.844% Perpetual Notes	£2,000,000	1,786	0.12
HSBC Capital Funding 8.208% Perpetual Bonds	£1,400,000	1,510	0.10
Legal & General Group 5.875% Perpetual Bonds	£1,380,000	1,279	0.09

# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>Sterling Denominated Long Term Bonds (continued)</b>			
Legal & General Group 6.385% Perpetual Bonds	£6,300,000	5,856	0.39
Nationwide Building Society 5.769% Perpetual Bonds	£1,050,000	868	0.06
Nationwide Building Society 6.25% Perpetual Bonds	£550,000	498	0.03
Nationwide Building Society 7.859% Perpetual Bonds	£200,000	192	0.01
Nationwide Building Society 7.971% Perpetual Bonds	£607,000	631	0.04
Old Mutual 6.376% Perpetual Notes	£1,000,000	830	0.06
Rabobank Capital Funding 5.556% Perpetual Bonds	£1,135,000	1,057	0.07
RL Finance 6.125% Perpetual Bonds	£1,000,000	797	0.05
RSA Insurance Group 6.701% Perpetual Bonds	£3,135,000	2,989	0.20
RSA Insurance Group 8.5% Perpetual Notes	£1,267,000	1,358	0.09
RWE Finance 7% Perpetual Bonds	£2,300,000	2,460	0.17
Scottish & Southern Energy Sterling 5.45% Perpetual Bonds	£9,209,000	9,586	0.64
Standard Chartered 5.375% Perpetual Notes	£1,100,000	1,035	0.07
Standard Chartered 7.75% Perpetual Notes	£610,000	636	0.04
Standard Chartered 8.103% Perpetual Bonds	£1,700,000	1,834	0.12
Svenska Handelsbanken 5.375% Perpetual Notes	£1,000,000	1,000	0.07
Swiss Reinsurance 6.3024% Perpetual Bonds	£3,200,000	3,106	0.21
Zurich Finance 6.625% Perpetual Notes	£1,390,000	1,429	0.10
		<b>616,769</b>	<b>41.39</b>
<b>Sterling Denominated Derivatives 0.03%</b>			
(2011 – (0.08)%)			
Long Gilt Futures December 2012	735	456	0.03
		<b>456</b>	<b>0.03</b>



# Portfolio Statement (continued)

	Holding at 31.10.12	Market Value £000's	% of net assets
<b>US Dollar Denominated Medium Term Bonds 0.45%</b>			
(2011 – 0.00%)			
ABN Amro Bank 4.875% Notes 2022	US\$7,670,000	4,937	0.33
UBS (Stamford) 7.625% Bonds 2022	US\$2,775,000	1,831	0.12
		<b>6,768</b>	<b>0.45</b>
<b>US Dollar Denominated Derivatives 0.02%</b>			
(2011 – 0.00%)			
Forward to buy US\$4,096,797 for £2,565,918	US\$4,096,797	(23)	0.00
Forward to sell US\$14,835,481 for £9,256,284	US\$(14,835,481)	48	0.00
US 10 Year Futures December 2012	372	267	0.02
Berkshire Hathaway 2017 Credit Default Swap Buy Protection <sup>1</sup>	\$2,100,000	7	0.00
Commonwealth Bank of Australia 2017 Credit Default Swap Buy Protection <sup>1</sup>	\$2,100,000	(35)	0.00
JPMorgan Chase Bank 2017 Credit Default Swap Buy Protection <sup>1 2</sup>	\$8,000,000	4	0.00
People's Republic of China 2017 Credit Default Swap Buy Protection <sup>1</sup>	\$2,100,000	(26)	0.00
		<b>242</b>	<b>0.02</b>

# Portfolio Statement (continued)

	Market Value £000's	% of net assets
Portfolio of investments <sup>3</sup>	<b>1,389,214</b>	<b>93.22</b>
Net other assets	101,072	6.78
<b>Net assets attributable to unitholders</b>	<b>1,490,286</b>	<b>100.00%</b>
Investment grade securities	1,314,350	88.17
Speculative grade securities	45,368	3.06
Unrated securities	29,823	2.01
<b>Total of debt securities</b>	<b>1,389,541</b>	<b>93.24%</b>

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

1 Over the counter derivative investments not listed on recognised exchanges.

2 A related party to the fund (Note 12).

3 Including derivative liabilities.

# Summary of Portfolio Transactions

## Largest purchases

For the year ended 31 October 2012	Cost £000's
Treasury 2.5% Index Linked Stock 2024	79,077
Treasury 6% Stock 2028	56,492
Treasury 4% Stock 2022	49,870
Treasury 4.5% Stock 2042	48,216
Treasury 1.25% Index Linked Stock 2017	42,115
Treasury 3.75% Stock 2052	37,247
Treasury 1.875% Index Linked Stock 2022	36,938
Treasury 0% Stock 24.12.12	29,951
Treasury 0% Stock 30.7.12	28,971
Treasury 0% Stock 29.10.12	28,939

## Largest sales

For the year ended 31 October 2012	Proceeds £000's
Treasury 2.5% Index Linked Stock 2024	80,041
Treasury 4.5% Stock 2042	45,983
Treasury 1.25% Index Linked Stock 2017	42,287
Treasury 1.875% Index Linked Stock 2022	37,440
Treasury 3.75% Stock 2052	35,316
Treasury 0% Stock 24.12.12	29,954
Treasury 0% Stock 30.7.12	28,991
Treasury 0% Stock 29.10.12	28,967
Treasury 0% Stock 2.4.12	21,000
Treasury 4% Stock 2022	18,661

# Statement of the Manager's Responsibilities

The Financial Services Authority's Collective Investment Schemes Sourcebook (COLL) requires the Manager to prepare accounts for each annual and half yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the fund and of its net revenue and the net capital gains on the property of the fund for the year. In preparing the accounts the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the fund will continue in operation unless it is inappropriate to do so;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements.

The Manager is responsible for the management of the fund in accordance with its Trust Deed, the Prospectus and the COLL and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Manager's report and accounts for the year ended 31 October 2012 were signed on 18 December 2012 on behalf of the Manager by:

**C.E. Helmstetter**  
Directors

**J.M. Cardew**

# Report of the Trustee

## Statement of the Trustee's responsibilities in relation to the accounts of the Scheme

The Trustee is responsible for the safekeeping of all of the property of the Scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Scheme is managed by the Authorised Fund Manager in accordance with the Financial Services Authority's Collective Investment Schemes Sourcebook (COLL) and the Scheme's Trust Deed and Prospectus, as appropriate, in relation to the pricing of, and dealings in, units in the Scheme; the application of revenue of the Scheme; and the investment and borrowing powers of the Scheme.

## Report of the Trustee for the accounting period from 1 November 2011 to 31 October 2012

Schroder All Maturities Corporate Bond Fund ("the Scheme")

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Fund Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's revenue in accordance with the COLL as appropriate, and, where applicable, the Scheme's Trust Deed and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

## J.P. Morgan Trustee and Depositary Company Limited

Trustee  
Bournemouth  
22 November 2012

# Report of the Independent Auditors

## **Independent Auditors' report to the unitholders of Schroder All Maturities Corporate Bond Fund ("the fund")**

We have audited the financial statements of Schroder All Maturities Corporate Bond Fund for the year ended 31 October 2012 which comprise the statement of total return, the statement of change in net assets attributable to unitholders, the balance sheet, the related notes to the accounts and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

## **Respective responsibilities of Authorised Fund Manager and Auditors**

As explained more fully in the Authorised Fund Manager's Responsibilities Statement the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the report and accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

# Report of the Independent Auditors (continued)

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the fund at 31 October 2012 and of the net revenue and the net capital gains of the scheme property of the fund for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Trust Deed.

## Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Fund Manager's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the fund have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

## PricewaterhouseCoopers LLP

Chartered Accountants & Statutory Auditors

Edinburgh

18 December 2012

- (a) The maintenance and integrity of the Schroders website is the responsibility of the Authorised Fund Manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Statement of Total Return

For the year ended 31 October 2012

		2012		2011	
	Notes	£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital gains/(losses)	2		102,667		(44,055)
Revenue	3	68,113		74,599	
Expenses	4	(2,727)		(2,849)	
Finance costs:					
Interest payable	6	0		(1)	
Net revenue before taxation		<b>65,386</b>		<b>71,749</b>	
Taxation	5	0		0	
Net revenue after taxation			<b>65,386</b>		<b>71,749</b>
<b>Total return before distributions</b>			<b>168,053</b>		<b>27,694</b>
Finance costs: Distributions	6		(73,525)		(74,348)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>94,528</b>		<b>(46,654)</b>

# Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 October 2012

	2012		2011	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		1,402,592		1,359,617
Amounts receivable on creation of units	113,431		303,779	
Amounts payable on cancellation of units	(188,206)		(282,795)	
		<b>(74,775)</b>		<b>20,984</b>
Change in net assets attributable to unitholders from investment activities		94,528		(46,654)
Retained distribution on Accumulation units		67,941		68,645
<b>Closing net assets attributable to unitholders</b>		<b>1,490,286</b>		<b>1,402,592</b>



# Balance Sheet

As at 31 October 2012

		2012		2011	
	Notes	£000's	£000's	£000's	£000's
<b>Assets</b>					
Investment assets			1,390,566		1,316,429
Debtors	7	32,055		35,509	
Cash and bank balances	8	88,405		61,995	
Total other assets			<b>120,460</b>		<b>97,504</b>
<b>Total assets</b>			<b>1,511,026</b>		<b>1,413,933</b>
<b>Liabilities</b>					
Investment liabilities			(1,352)		(1,979)
Creditors	9	(17,918)		(7,167)	
Bank overdrafts	10	(1)		0	
Distribution payable on Income units		(1,469)		(2,195)	
Total other liabilities			<b>(19,388)</b>		<b>(9,362)</b>
<b>Total liabilities</b>			<b>(20,740)</b>		<b>(11,341)</b>
<b>Net assets attributable to unitholders</b>					
			<b>1,490,286</b>		<b>1,402,592</b>

# Notes to the Accounts

## 1 Accounting policies

### Basis of accounting

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the IMA in October 2010.

### Revenue

Interest receivable from bank balances is accounted for on an accruals basis. Interest receivable from debt securities is accounted for on an effective yield basis.

### Interest on debt securities bought or sold

Interest on debt securities bought or sold is excluded from the capital cost of securities, and is dealt with as part of the revenue of the fund.

### Expenses

Expenses of the fund are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the fund.

For A Income units, A Accumulation units, I Income (Gross) units, I Accumulation (Gross) units, Z Income units and Z Accumulation units, the annual management charge is initially charged to revenue but ultimately borne by the capital of the fund and is accrued within the price. This charge is invoiced directly to the holders of X Accumulation (Gross) units.

### Taxation

The fund satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 throughout the year. All distributions made are therefore made as interest distributions.

The fund has no corporation tax liability as interest distributions are tax deductible.

Deferred taxation is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences regarded as permanent. Any liability to deferred taxation is provided for at the average rate of taxation expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

# Notes to the Accounts (continued)

## Distributions

The revenue available for distribution is the total revenue earned by the fund, less deductible expenses and taxation charged to revenue. For the purpose of calculating the distribution, revenue on debt securities is calculated on a coupon basis where this exceeds the amount determined on an effective yield basis. As a consequence, the capital value of the fund may be eroded. This revenue is distributed on 31 December to Income unitholders. An interim distribution based on available revenue at the half year is distributed on 30 June. For Accumulation units this revenue is not distributed but automatically reinvested in the fund and is reflected in the value of these units.

From 1 November 2011, the distributions of the fund changed from an effective yield basis to a coupon basis.

## Valuation

Listed investments of the fund have been valued at market value at 18:00 on the balance sheet date, net of any accrued interest which is included in the balance sheet as a revenue related item. Market value is defined by the SORP as fair value which generally is the bid value of each security and the offer value for short positions.

## Forward currency contracts

Open forward currency contracts are shown in the Portfolio Statement at market value and the net (losses)/gains are reflected in Net capital gains/(losses).

## Futures contracts

Open futures contracts are shown in the Portfolio Statement at market value and the net gains/(losses) are reflected within Derivative contracts in Net capital gains/(losses).

## Credit default swaps

Open credit default swaps are shown in the Portfolio Statement and are priced at fair value using valuation models and data sourced from market data providers. The upfront fees received on a mark to market basis are split between capital and revenue as appropriate. The capital element is reflected within Derivative contracts in Net capital gains/(losses) and the revenue element is reflected within Net revenue return from derivative contracts in Revenue. Net losses are reflected within Derivative contracts in Net capital gains/(losses). For sell protections, periodic premiums are accounted for on an accrual basis and are included within Net revenue return from derivative contracts in Revenue.

# Notes to the Accounts (continued)

## Interest rate swaps

Net gains/(losses) are reflected within Derivative contracts in Net capital gains/(losses). Interest receivable or payable on interest rate swaps is accounted for on an accruals basis and is included within Net revenue return from derivative contracts in Revenue.

## Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate prevailing on the date of the transaction. Assets and liabilities valued in foreign currencies have been translated into sterling at the exchange rates prevailing at the balance sheet date.

## 2 Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	2012 £000's	2011 £000's
Non-derivative securities	99,794	(40,719)
Derivative contracts	2,958	(4,451)
Forward currency contracts	(81)	761
Currency gains	6	329
Transaction charges	(10)	25
<b>Net capital gains/(losses)</b>	<b>102,667</b>	<b>(44,055)</b>

## 3 Revenue

	2012 £000's	2011 £000's
Interest on debt securities	67,020	74,366
Bank interest	140	201
Interest on amounts held at futures clearing houses and brokers	1	2
Net revenue return from derivative contracts	952	30
<b>Total revenue</b>	<b>68,113</b>	<b>74,599</b>

# Notes to the Accounts (continued)

## 4 Expenses

	2012 £000's	2011 £000's
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Annual management charge	2,507	2,599
Administration charge	32	62
	<b>2,539</b>	<b>2,661</b>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee's fees	90	89
Safe custody fees	85	87
	<b>175</b>	<b>176</b>
<b>Other expenses:</b>		
Audit fee	12	12
Financial Services Authority fee	1	0
	<b>13</b>	<b>12</b>
<b>Total expenses</b>	<b>2,727</b>	<b>2,849</b>

## 5 Taxation

Corporation tax has not been provided for as expenses and interest distributions payable by the fund exceed the revenue liable to corporation tax.

### (a) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for authorised unit trusts of 20% (2011 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2012 £000's	2011 £000's
<b>Net revenue before taxation</b>	<b>65,386</b>	<b>71,749</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	13,077	14,350
<b>Effects of:</b>		
Movement in excess management expenses	375	520
Tax deductible on interest distributions	(13,452)	(14,870)
<b>Current tax charge for the year</b>	<b>0</b>	<b>0</b>

### (b) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £1,763,133 (2011 – £1,388,502) in respect of unutilised management expenses. It is unlikely the fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

# Notes to the Accounts (continued)

## 6 Finance costs

### Distributions and interest payable

The distributions, which are on a coupon basis (2011 – effective yield basis), take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	2012 £000's	2011 £000's
Interim Interest distribution	36,459	36,899
Income tax withheld	407	718
Final Interest distribution	34,982	36,471
Income tax withheld	335	482
	<b>72,183</b>	<b>74,570</b>
Add: Revenue deducted on cancellation of units	2,479	2,970
Deduct: Revenue received on creation of units	(1,137)	(3,192)
<b>Finance costs: Distributions</b>	<b>73,525</b>	<b>74,348</b>
<b>Finance costs: Interest payable</b>	<b>0</b>	<b>1</b>
<b>Total finance costs</b>	<b>73,525</b>	<b>74,349</b>
Net revenue after taxation	65,386	71,749
Annual management charge taken to capital	2,507	2,599
Adjustment for coupon distributions	5,632	0
<b>Finance costs: Distributions</b>	<b>73,525</b>	<b>74,348</b>

Income tax at 20% will be accounted for on unitholders' behalf to HM Revenue & Customs in respect of all unitholders who are not entitled to receive their distributions gross.

Details of the distributions per unit are set out in the Distribution Table on pages 54 and 55.

## 7 Debtors

	2012 £000's	2011 £000's
Amounts receivable for creation of units	1,343	2,868
Sales awaiting settlement	1,742	0
Accrued interest on debt securities	28,943	32,583
Accrued bank interest	20	28
Revenue receivable from derivative contracts	7	30
<b>Total debtors</b>	<b>32,055</b>	<b>35,509</b>

# Notes to the Accounts (continued)

## 8 Cash and bank balances

	2012 £000's	2011 £000's
Cash and bank balances	86,692	60,309
Amounts held at futures clearing houses and brokers	1,713	1,686
<b>Total cash and bank balances</b>	<b>88,405</b>	<b>61,995</b>

## 9 Creditors

	2012		2011	
	£000's	£000's	£000's	£000's
Amounts payable for cancellation of units		11,850		1,240
Purchases awaiting settlement		5,544		5,232
<b>Accrued expenses</b>				
<b>Manager and Agents</b>				
Annual management charge	200		200	
Administration charge	2		3	
		<b>202</b>		<b>203</b>
<b>Trustee and Agents</b>				
Trustee's fees	8		8	
Safe custody fees	15		15	
Transaction charges	1		1	
		<b>24</b>		<b>24</b>
Other accrued expenses		12		12
Income tax payable		286		456
<b>Total creditors</b>		<b>17,918</b>		<b>7,167</b>

## 10 Bank overdrafts

	2012 £000's	2011 £000's
Amounts overdrawn at futures clearing houses & brokers	1	0
<b>Total bank overdrafts</b>	<b>1</b>	<b>0</b>

## 11 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2011 – Nil).

# Notes to the Accounts (continued)

## 12 Related party transactions

The Manager and the Trustee actively co-operate to exercise control over the fund and are therefore related parties by virtue of their controlling influence.

Amounts paid during the year or due to the Manager or the Trustee at the balance sheet date are disclosed under Expenses and Creditors in the Notes to the Accounts. Transaction charges and bank interest payable by the fund, which are paid to the Trustee, are disclosed separately within Net capital gains/(losses) and Finance costs respectively in the Notes to the Accounts.

Cash and bank balances with the Trustee are disclosed under Cash and bank balances in the Notes to the Accounts. Bank interest paid or payable to the fund by the Trustee is disclosed in Revenue and Debtors in the Notes to the Accounts.

The Manager acts as principal on all transactions of units in the fund. The aggregate monies received through the creation and cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Finance costs in the Notes to the Accounts. Amounts due to or from the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Creditors in the Notes to the Accounts.

Units held or managed by the Manager or associates of the Manager as a percentage of the fund's value at the balance sheet date were 68.72%.

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £329,291 (2011 – £611,625) is disclosed within Interest on debt securities in Revenue in the Notes to the Accounts. Amounts receivable at the balance sheet date of £23,294 (2011 – £167,725) are disclosed within Accrued interest on debt securities in Debtors in the Notes to the Accounts.



# Notes to the Accounts (continued)

## 13 Unit classes

The fund currently has seven unit classes: A Income units, A Accumulation units, I Income (Gross) units, I Accumulation (Gross) units, X Accumulation (Gross) units, Z Income units and Z Accumulation units. The annual management charge is based on the average value of the fund, calculated on a daily basis, and covers the remuneration of the Manager, the Investment Adviser and their overhead expenses and for each unit class is as follows:

A Income units	1.00%
A Accumulation units	1.00%
I Income (Gross) units	0.25%
I Accumulation (Gross) units	0.25%
Z Income units	0.45%
Z Accumulation units	0.45%

The expense is invoiced directly to X Accumulation (Gross) unitholders, resulting in a 0% charge to the fund.

The net asset value of each unit class, the net asset value per unit and the number of units in issue in each class are given in the Net Asset Value and Comparative Tables on page 10. The distributions per unit class are given in the Distribution Table on pages 54 and 55. All classes have the same rights on winding up.

## 14 Derivative and other financial instruments

In accordance with the investment objective, the fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short term debtors and creditors arising directly from operations.

Under normal circumstances, the Manager would expect substantially all of the assets of the fund to be invested in securities appropriate to the fund's investment objective. The fund may invest in deposits without limitation only with an approved bank and which are repayable on demand or has the right to withdraw and maturing in no more than twelve months. Cash and near cash may only be held to assist in the redemption of units, the efficient management of the fund or purposes regarded as ancillary to the fund.

The main risks arising from the fund's financial instruments are market price, foreign currency, liquidity, credit and interest rate risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

# Notes to the Accounts (continued)

## Market price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in, the Trust Deed, the Prospectus and in the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

## Foreign currency risk

The fund invests in overseas securities and the balance sheet can be significantly affected by movements in foreign exchange rates. The Manager seeks to manage exposure to currency movements by using forward currency contracts.

Revenue received in other currencies is translated to sterling on or near the date of receipt.

## Currency risk profile

The currency risk profile of the fund's net assets and liabilities at the balance sheet date was as follows:

Currency	Monetary exposure £000's	Non-monetary exposure £000's	Total £000's
<b>Euro</b>			
2012	(27,629)	28,562	933
2011	0	130	130
<b>Sterling</b>			
2012	137,560	1,353,149	1,490,709
2011	88,144	1,314,318	1,402,462
<b>US dollar</b>			
2012	(8,074)	6,718	(1,356)
2011	0	0	0

## Liquidity risk

The primary source of this risk to the fund is the liability to unitholders for any cancellation of units. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities.

## Credit risk

The debt securities are exposed to credit risk which reflects the ability of the issuer to meet its obligations. The majority of debt securities in which the fund invests are investment grade listed bonds or government securities which are lower risk. The fund can invest in the full spectrum of available securities, which include non-investment grade securities (known as high yield). The Manager monitors credit weightings on a regular basis as well as reviewing individual issuers and respective bonds at risk of default.

# Notes to the Accounts (continued)

The fund invests in credit default swaps to adjust the credit risk profile of the fund quickly and efficiently. Credit default swaps are bought and sold in response to detailed credit research to take advantage of anticipated movements in credit spreads on individual stocks and baskets of securities. When the fund buys a credit default swap the default risk associated with the underlying security transfers to the counterparty. Conversely when the fund sells a credit default swap the fund assumes the credit risk of the underlying security. All credit default swaps are disclosed separately in the Portfolio Statement.

## Interest rate risk

The fund invests in debt securities. The revenue of the fund may be affected by changes to interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of debt securities may be affected by interest rate movements or the expectation of such movements in the future. The Manager monitors and controls the sensitivity of the portfolio to fluctuations of interest rates (Duration) to best match the return of revenue gains/losses with potential losses/gains of capital value.

The fund invests in interest rate swaps to adjust the interest rate risk profile of the fund across the entire yield curve quickly and efficiently. The price of interest rate swaps are largely determined by investors' views of future interest rate and yield levels, and the Manager aims to profit when these market views differ from Schroders' own expectations.

Interest receivable on bank balances and amounts held or overdrawn at futures clearing houses and brokers will be affected by fluctuations in interest rates.

## Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of financial assets and liabilities at the balance sheet date was as follows:

Currency	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
<b>Euro</b>				
2012	494	29,623	369	30,486
2011	0	0	130	130
<b>Sterling</b>				
2012	109,351	1,331,668	66,099	1,507,118
2011	77,599	1,300,693	35,511	1,413,803
<b>US dollar</b>				
2012	42	6,768	2,897	9,707
2011	0	0	0	0

# Notes to the Accounts (continued)

Currency	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's
<b>Euro</b>				
2012	0	0	29,553	29,553
2011	0	0	0	0
<b>Sterling</b>				
2012	0	0	16,409	16,409
2011	946	1,033	9,362	11,341
<b>US dollar</b>				
2012	1	0	11,062	11,063
2011	0	0	0	0

## Fixed rate financial assets

Currency	Weighted average interest rate	Weighted average period for which rate is fixed
<b>Euro</b>		
2012	5.70%	6.02 years
2011	N/A	N/A
<b>Sterling</b>		
2012	3.65%	14.42 years
2011	4.90%	13.38 years

There are no material amounts of non-interest bearing financial assets which do not have a maturity date.

## Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on SONIA. Sterling denominated floating rate bonds, foreign currency bank balances and amounts held or overdrawn at futures clearing houses and brokers bear interest at rates based on LIBOR or its international equivalent.

## Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

## Derivatives

During the year the fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

# Notes to the Accounts (continued)

## Value at risk

The Manager assesses the market risk of the fund's investments, including any derivative exposure, using a value at risk methodology. This process provides the Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances.

The value at risk is calculated on a 99% confidence interval with a one month holding period. As at the balance sheet date, the fund's value at risk is 3.86%.

## 15 Portfolio transaction costs

	2012		2011	
	£000's	£000's	£000's	£000's
<b>Analysis of total purchase costs</b>				
Purchases in year before transaction costs		1,087,765		555,076
Commissions	1		0	
Total purchase costs		<b>1</b>		<b>0</b>
<b>Gross purchase total</b>		<b>1,087,766</b>		<b>555,076</b>
<b>Analysis of total sales costs</b>				
Gross sales in year before transaction costs		1,107,769		506,789
Commissions	0		0	
Total sales costs		<b>0</b>		<b>0</b>
<b>Total sales net of transaction costs</b>		<b>1,107,769</b>		<b>506,789</b>

# Distribution Table

Interim distribution  
for the six months  
ended 30 April 2012

**Group 1** Units purchased prior to 1 November 2011

**Group 2** Units purchased on or after 1 November 2011

	<b>Gross revenue 2012 p per unit</b>	<b>Income tax 2012 p per unit</b>	<b>Net revenue 2012 p per unit</b>	<b>Equalisation 2012 p per unit</b>	<b>Distribution paid 30.6.12 p per unit</b>	<b>Distribution paid 30.6.11 p per unit</b>
<b>A Income units</b>						
Group 1	1.3786	0.2757	1.1029	–	1.1029	1.1781
Group 2	0.7154	0.1431	0.5723	0.5306	1.1029	1.1781
<b>A Accumulation units</b>						
Group 1	1.5526	0.3105	1.2421	–	1.2421	1.2631
Group 2	0.8051	0.1610	0.6441	0.5980	1.2421	1.2631
<b>I Income (Gross) units <sup>1</sup></b>						
Group 1	1.2917	0.0000	1.2917	–	1.2917	1.3783
Group 2	1.0746	0.0000	1.0746	0.2171	1.2917	1.3783
<b>I Accumulation (Gross) units <sup>1</sup></b>						
Group 1	4.8535	0.0000	4.8535	–	4.8535	4.9016
Group 2	2.9798	0.0000	2.9798	1.8737	4.8535	4.9016
<b>X Accumulation (Gross) units <sup>1</sup></b>						
Group 1	2.5094	0.0000	2.5094	–	2.5094	2.5260
Group 2	1.9805	0.0000	1.9805	0.5289	2.5094	2.5260
<b>Z Income units</b>						
Group 1	1.4521	0.2904	1.1617	–	1.1617	1.2357
Group 2	0.5389	0.1078	0.4311	0.7306	1.1617	1.2357
<b>Z Accumulation units</b>						
Group 1	1.6343	0.3269	1.3074	–	1.3074	1.2823
Group 2	1.0656	0.2131	0.8525	0.4549	1.3074	1.2823

<sup>1</sup> As the distribution is accounted for gross to unitholders, no income tax is deducted.

# Distribution Table (continued)

Final distribution  
for the six  
months ended  
31 October 2012

**Group 1** Units purchased prior to 1 May 2012

**Group 2** Units purchased on or after 1 May 2012

	Gross revenue 2012 p per unit	Income tax 2012 p per unit	Net revenue 2012 p per unit	Equalisation 2012 p per unit	Distribution payable 31.12.12 p per unit	Distribution paid 31.12.11 p per unit
<b>A Income units</b>						
Group 1	1.3398	0.2680	1.0718	–	1.0718	1.1304
Group 2	0.7121	0.1424	0.5697	0.5021	1.0718	1.1304
<b>A Accumulation units</b>						
Group 1	1.5398	0.3080	1.2318	–	1.2318	1.2535
Group 2	0.7535	0.1507	0.6028	0.6290	1.2318	1.2535
<b>I Income (Gross) units <sup>1</sup></b>						
Group 1	1.2620	0.0000	1.2620	–	1.2620	1.3235
Group 2	1.2550	0.0000	1.2550	0.0070	1.2620	1.3235
<b>I Accumulation (Gross) units <sup>1</sup></b>						
Group 1	4.8652	0.0000	4.8652	–	4.8652	4.8293
Group 2	2.1588	0.0000	2.1588	2.7064	4.8652	4.8293
<b>X Accumulation (Gross) units <sup>1</sup></b>						
Group 1	2.5187	0.0000	2.5187	–	2.5187	2.4928
Group 2	0.4566	0.0000	0.4566	2.0621	2.5187	2.4928
<b>Z Income units</b>						
Group 1	1.4174	0.2835	1.1339	–	1.1339	1.1890
Group 2	0.9119	0.1824	0.7295	0.4044	1.1339	1.1890
<b>Z Accumulation units</b>						
Group 1	1.6276	0.3255	1.3021	–	1.3021	1.3203
Group 2	0.7958	0.1592	0.6366	0.6655	1.3021	1.3203

<sup>1</sup> As the distribution is accounted for gross to unitholders, no income tax is deducted.

## Equalisation

Equalisation applies to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of Group 2 units and is refunded to the holders of these units as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

# General Information

## Manager

Schroder Unit Trusts Limited  
31 Gresham Street  
London EC2V 7QA  
Authorised and regulated by  
the Financial Services Authority

## Registrar<sup>1</sup>

International Financial Data Services Limited  
IFDS House  
St Nicholas Lane  
Basildon  
Essex SS15 5FS

## Investment Adviser

Schroder Investment Management Limited  
31 Gresham Street  
London EC2V 7QA  
Authorised and regulated by  
the Financial Services Authority

## Administration details

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0800 718 777  
investorservices@schroders.com  
Dealing 0800 718 788  
Fax 0870 043 4080

## Trustee

J.P. Morgan Trustee and  
Depositary Company Limited  
Chaseside  
Bournemouth BH7 7DA  
Authorised and regulated by  
the Financial Services Authority

## Independent Auditors

PricewaterhouseCoopers LLP  
Erskine House  
68-73 Queen Street  
Edinburgh EH2 4NH

<sup>1</sup> The Manager has delegated the function of Registrar to International Financial Data Services Limited.

## Authorisation

The fund is an authorised unit trust and is constituted pursuant to the COLL and is structured as a trust. The fund is a UCITS scheme for the purpose of the categorisation of the COLL.

## Initial management charge

The issue price of A Income units and A Accumulation units reflects an initial management charge of 3.25% of the dealing price. This is retained by the Manager. With effect from 31 December 2012 the initial management charge was removed for A Income units and A Accumulation units. There is no initial management charge on I Income (Gross) units, I Accumulation (Gross) units, X Accumulation (Gross) units, Z Income units and Z Accumulation units.

## Prospectus

The Prospectus and the Key Investor Information Document are available on request or can be downloaded from our website **[www.schroders.co.uk](http://www.schroders.co.uk)**.

## European Union Savings Directive

Schroders is required by the European Union Savings Directive to report payments to HM Revenue & Customs that are made by the fund to investors living in other European Union member states.





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